

**KHADIM ALI SHAH BUKHARI SECURITIES LIMITED**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**

**JUNE 30, 2021**



# KTRADE SECURITIES LIMITED

(FORMERLY KHADIM ALI SHAH BUKHARI SECURITIES LIMITED)

05 Oct, 2021  
Directors' Report

Dear Shareholders,

I am pleased to present before you the financial performance of KTrade Securities Limited (Formerly Khadim Ali Shah Bukhari Securities Ltd) Securities Limited for year ended 30 June, 2021 .

## ECONOMY

Pakistan's economy started showing signs of recovery in the first quarter with foreign exchange reserves posting a growth of 34% YoY (QoQ: 12%), Fiscal deficit improving from 3.5% of GDP to 0.8% YoY and remittances maintaining the momentum of US\$ 8 bn a quarter trajectory. FBR's efforts helped create some fiscal space for the economy despite a tough ask from IMF, which posted a growth of 38% YoY. Inflationary pressures brought by spike in global commodity prices remained the cause of concern for the Central bank and a 25bps hike in the Policy rate was made to alleviate the mounting pressure on Current Account Deficit.

## STOCK MARKET

During the year largely remained uneventful, except for the closing where the benchmark KSE100 index lost approximately 2400pts, equivalent to 5%. Pakistan's reclassification from MSCI Emerging Markets Index to MSCI Frontier Markets played a key role in negative investor sentiment. Besides, delay in resumption of IMF program due to tough conditions kept the investors in a disarray. In the wake of these pressures, activity at the bourse slowed as well with average daily traded value declining by 48% QoQ to US\$ 45 mn and average daily traded volumes sustaining a decline of 40% to 141 mn. Government Pension Fund turned out to be the major supporter to the Index.

## K-TRADE PERFORMANCE

K-Trade has been at the forefront of expansion through technology and has had significant numbers added to the client base. We feel proud to share the accolades won by K-Trade in the past months, ICT Award from PASHA (Pakistan Software Houses Association) and Best Research Analyst – Runner up from CFA Society Pakistan in the 18<sup>th</sup> Excellence Awards for FY21. K-Trade has the distinction of being the only Stock broking firm in Pakistan being awarded an IT and CFA Society Pakistan award.

Despite the slow-down in trading activity at the bourse, K-Trade posted a topline of PKR 158m, showing a growth of 71% YoY. We are determined to increase our client base aggressively and maintain the marketing campaign with complete vigour.

We extend our gratitude to our stakeholders, especially the Sponsors, Clients and the regulators including SECP, PSX, NCCPL and CDC for extending all out support for the initiatives K-Trade takes from time to time to expand the investor base in Pakistan.

### MAIN OFFICE

201-202, 2nd Floor, Plot # 33-C,  
Lane 13, Khayaban-e-Bukhari,  
Phase VI, DHA, Karachi.  
Tel: 35248944  
Email: contact@kasb.com

### BRANCH OFFICE

101-102, 1st Floor, Plot # 33-C,  
Lane 13, Khayaban-e- Bukhari,  
Phase VI, DHA, Karachi  
Tel: 35171461-65, 35172081-84  
Email: contact@kasb.com

### BRANCH OFFICE

16C, 4th Floor, Bukhari  
Tower, Khayaban-e- Bukhari,  
Phase VI, DHA, Karachi.  
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Email: contact@kasb.com

### BRANCH OFFICE

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1st Floor, New PSX Building,  
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32431435  
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### BRANCH OFFICE

Office # 16, 4th Floor Boman  
G Square, Nusrat Road,  
Multan Cantt Multan.  
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Email: contact@kasb.com





# KTRADE SECURITIES LIMITED

(FORMERLY KHADIM ALI SHAH BUKHARI SECURITIES LIMITED)

## PATTERN OF SHAREHOLDING

	Number of shares		Percentage of holding	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Mr. Mahmood Ali Shah Bukhari	3,550,000	3,550,000	18.2%	21.2%
Mr. Muhammad Ali Farid Khwaja	1	1	0.0%	0.0%
Mrs. Mubhasira Bukhari Khwaja	4,788,488	4,788,489	24.6%	28.6%
Mr. Iqbal Ali Lakhani	389,635	334,290	2.0%	2.0%
Mrs. Fatima Lakhani	389,635	334,290	2.0%	2.0%
Mrs. Mariam Farid Khwaja	1	-	0.0%	0.0%
M/s Sturgeon Capital Limited	411,765	411,765	2.1%	2.5%
M/s Oxford Frontier Capital Limited	9,970,132	7,311,038	51.1%	43.7%
	<u>19,499,657</u>	<u>16,729,873</u>	<u>100%</u>	<u>100%</u>

During the period board of director approved the allotment of 2,769,784 shares at Rs. 55.6/- including the premium Rs. 45.6/- against cash. 2,659,094 shares were subscribed the M/S Oxford Frontier Capital Limited, 55345 shares were subscribed the Mr. Iqbal Lakhani and Mrs. Fatima Lakhani. During the period one share transferred from Mrs. Mubashira Bukhari Khwaja to Ms. Mariam Farid Khawaja.

**MAHMOOD ALI SHAH BUKHARI**  
CHIEF EXECUTIVE OFFICER

**MUHAMMAD ALI FARID KHWAJA**  
DIRECTOR



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**KHADIM ALI SHAH BUKHARI SECURITIES LIMITED**





**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF KHADIM ALI SHAH BUKHARI SECURITIES LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of **Khadim Ali Shah Bukhari Securities Limited** (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*NZAJ*

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

*NZJ*





We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

**Other Matter**

The financial statements of the company for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who had expressed unmodified opinion vide their report dated October 07, 2020 on those statements.

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H. Siddiqui – FCA.**

*MSJ*

*Naveed Zafar Ashfaq Jaffery & Co.*  
Chartered Accountants

Dated : **05 OCT 2021**  
Karachi :

**KHADIM ALI SHAH BUKHARI SECURITIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
<b>Non-Current Assets</b>			
Property and equipment	5	25,096,166	18,192,920
Intangible assets	6	11,000,000	7,500,000
Security deposit	7	6,095,828	815,900
Long term investments	8	37,532,768	19,605,539
		79,724,762	46,114,359
<b>Current Assets</b>			
Advances and other receivables	9	19,626,211	12,337,000
Trade debts	10	244,941,287	273,737,280
Short term investments	11	85,191,685	125,231,999
Exposure deposit held with NCCPL		194,208,421	13,051,278
Advance tax		5,435,047	3,023,810
Cash and bank balances	12	233,692,232	105,709,454
		783,094,883	533,090,821
		<u>862,819,645</u>	<u>579,205,180</u>
<b>Equity and Liabilities</b>			
<b>Authorized Share Capital</b>			
20,000,000 (2020: 20,000,000) ordinary shares of Rs. 10/- each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital	13	194,996,570	167,298,730
Advance against issue of shares		83,343,851	723,720
Share premium		236,718,837	110,416,687
Revaluation surplus on intangible asset - net off tax		1,362,873	1,362,873
Fair value reserve on available for sale investment		927,528	-
Accumulated (loss)		(11,331,904)	(16,739,143)
		506,017,755	263,062,867
<b>Non Current liabilities</b>			
Deferred tax	14	3,860,985	3,492,295
<b>Current liabilities</b>			
Trade and other payables	15	352,940,905	312,650,018
<b>Total Equity and Liabilities</b>		<u>862,819,645</u>	<u>579,205,180</u>
Contingencies and Commitments	16	-	-

The annexed notes form an integral part of these financial statements.

  
Chief Executive Officer

  
Director



**KHADIM ALI SHAH BUKHARI SECURITIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 Rupees	2020 Rupees
Operating revenue	17	158,246,212	44,837,384
Advisory services		432,239	-
Capital gain on sale of listed investments		1,358,099	963,938
Unrealised gain on remeasurement of investments		(463,237)	1,236,144
Expenditures		159,573,313	47,037,466
Administrative and operating expenses	18	165,103,526	63,675,430
Finance cost		165,857	83,186
		165,269,383	63,758,616
Other income	19	15,110,494	25,634,566
Profit before taxation		9,414,424	8,913,416
Taxation	20	(4,007,185)	(3,296,196)
Profit for the year		5,407,239	5,617,220
Earning per share-basic and diluted	21	0.39	0.41

The annexed notes form an integral part of these financial statements.

  
Chief Executive Officer

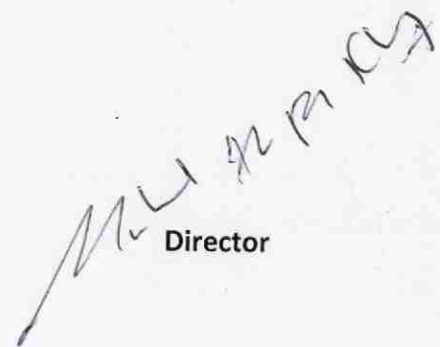
  
Director

**KHADIM ALI SHAH BUKHARI SECURITIES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020
	----- (Rupees) -----	
<b>Profit after taxation for the year</b>	<b>5,407,239</b>	5,617,220
<b>Other comprehensive income for the year</b>		
<i>Items that will not be subsequently reclassified to profit and loss account</i>		
Reversal of revaluation surplus on TRE Certificate	-	(2,500,000)
Deferred tax liability on revaluation of TRE Certificate	-	139,663
	-	(2,360,337)
<i>Fair value reserve on available for sale investment</i>	<b>927,528</b>	-
<b>Total comprehensive income for the year</b>	<b><u>6,334,767</u></b>	<b><u>3,256,883</u></b>

The annexed notes form an integral part of these financial statements.

  
**Chief Executive**

  
**Director**